



expanding human possibility®

Citi's 2023 Global Industrial Tech and Mobility Conference

February 21, 2023



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.

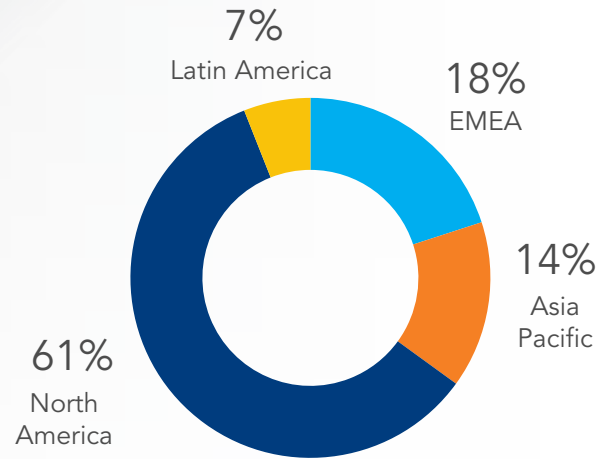
This presentation also contains non-GAAP financial information and reconciliations to GAAP are included in the appendix. All information should be read in conjunction with our historical financial statements.

We're taking
**manufacturing to
a whole new level**
by making our customers
more resilient, agile,
and sustainable.

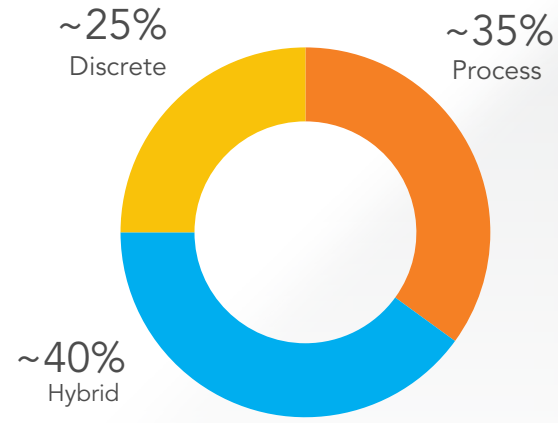
SERVING CUSTOMERS
FOR 120 YEARS

AT A GLANCE

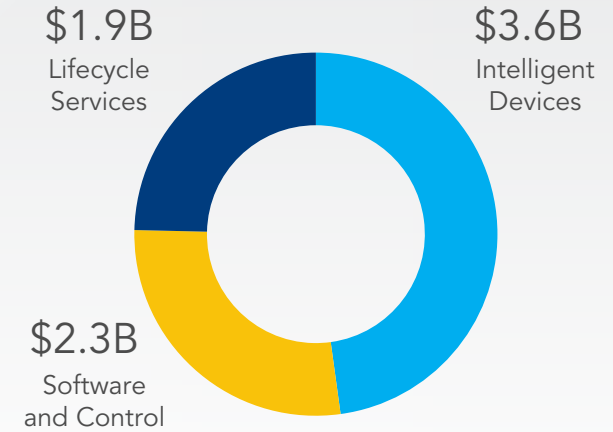
\$7.8B 2022 sales



BY REGION




BY INDUSTRY



BY SEGMENT

GLOBAL

 **100+** Number of countries

 **26k** Employees: more than half outside the U.S.

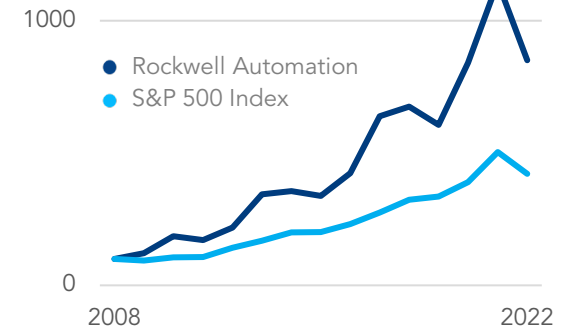


World's
Most Ethical
Companies

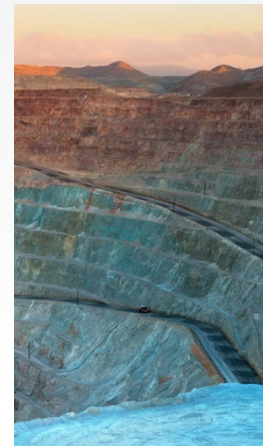
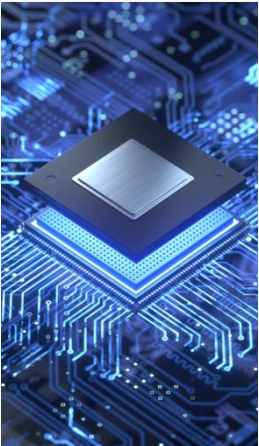
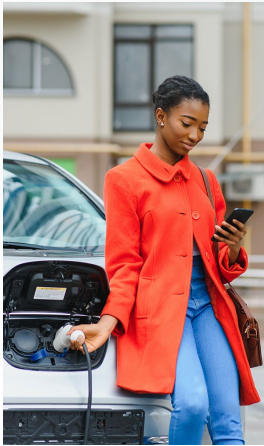
FAST COMPANY

The 50 best places
to work for innovators

Total shareowner return



Helping customers across all industries

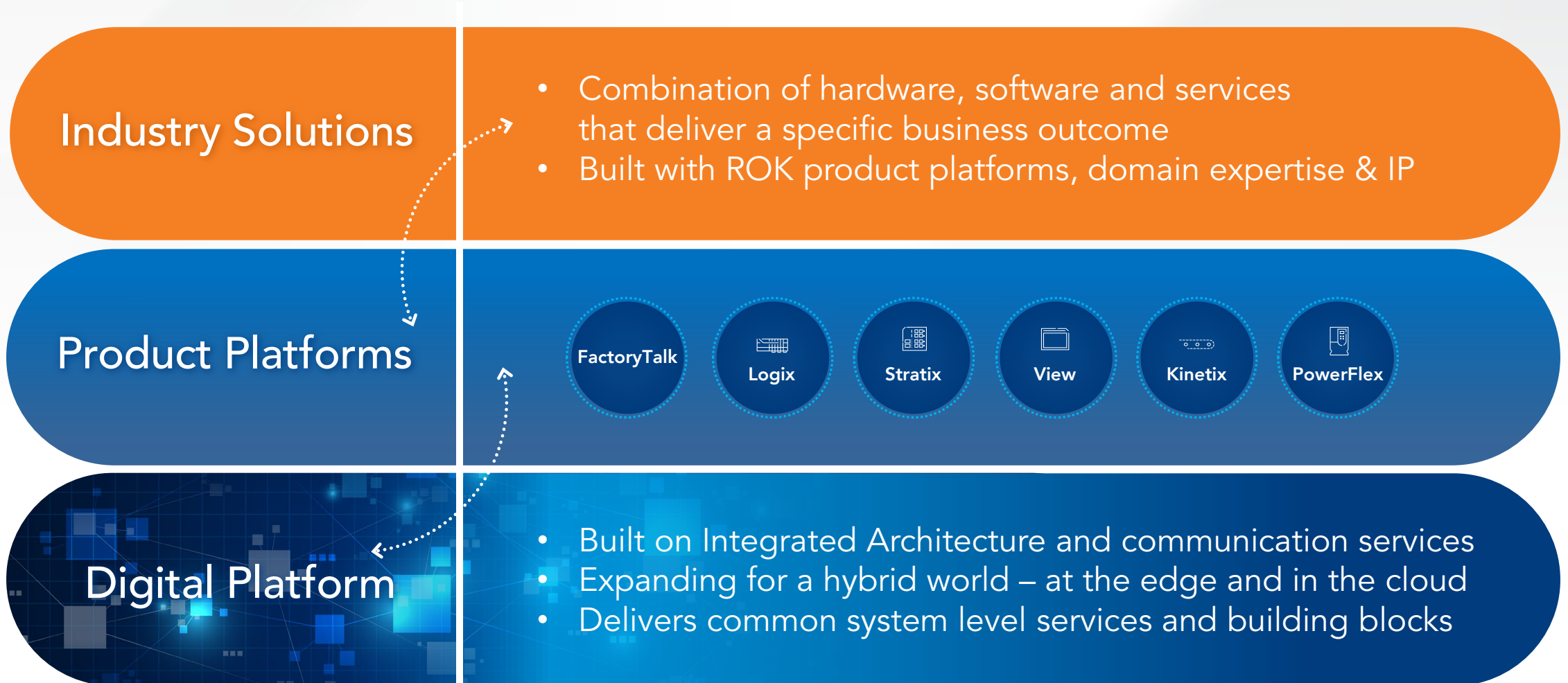


DISCRETE

HYBRID

PROCESS

Scalable innovation at all levels of the technology stack



Go-to-Market Acceleration



TALENT

- Optimization through regional and industry alignment
- Market amplification with new CMO office
- Investing in cybersecurity and software sales



ACQUISITIONS

- New technologies and talent
- Digital consulting – Kalypso
- Software and high-velocity sales & marketing – Plex and Fiix
- Leadership team integration



PARTNERS

- Extension of our talent
- Technology Partners
- Machine Builders (OEM)
- System Integrators
- Distributors

Full Year Outlook Update

- ▶ Total sales growth range of 10% - 14%; Organic growth range of 11% - 15%
 - ▶ Currency to reduce sales ~(2.0) pts
 - ▶ Acquisitions to contribute ~1.0 pt of growth
- ▶ Information Solutions & Connected Services (IS/CS) sales to grow double digits
- ▶ Organic ARR expected to grow ~15% YOY
- ▶ Expect segment margin of ~21.0%
- ▶ Adjusted EPS range of \$10.70 - \$11.50
- ▶ Expect Free Cash Flow conversion of 95%

Note: Updated Guidance as of January 26, 2023

Strong backlog, improving supply chain, and continued customer demand

Fiscal Year 2023 Guidance

	Updated Guidance	Prior Guidance
Sales Midpoint	~ \$8.7B	~ \$8.5B
Organic Growth Range	11% - 15%	9% - 13%
Inorganic Growth	~ 1.0%	~ 1.0%
Currency Translation	~ (2.0)%	~ (2.5)%
Segment Operating Margin	~ 21%	~ 20.5%
Adjusted Effective Tax Rate	~ 18%	~ 18%
Adjusted EPS Range	\$10.70 - \$11.50	\$10.20 - \$11.00
Free Cash Flow as a % of Adjusted Income	~ 95%	~ 95%

Note: Updated Guidance as of January 26, 2023; Prior Guidance as of November 2, 2022

More ways to win

- Rockwell is delivering on our commitment to accelerate profitable growth
- In a relatively short time, we have become a scale provider of software, digital services, and OT cybersecurity, with double-digit growth in all of these
- We've also become a more resilient company through increased ARR, supply chain agility, expansion of competitively served industries, and disruptive new products and services

We have the technology,
people, and ecosystem
to take manufacturing
to a whole new level

Appendix



Industry Segmentation

% of FY22 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 FY23 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

Change in fair value of investments ⁽¹⁾

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 ⁽¹⁾

Adjusted income

Adjusted EPS

Average Diluted Shares

	Q1 2023	Q1 2022
Total Sales	\$ 1,981.0	\$ 1,857.3
Total segment operating earnings	\$ 401.0	\$ 355.1
Purchase accounting depreciation and amortization	(26.0)	(26.1)
Corporate and other	(27.3)	(29.4)
Non-operating pension and postretirement benefit credit	12.4	4.4
Change in fair value of investments ⁽¹⁾	140.6	7.6
Interest expense, net	(32.8)	(29.1)
Income tax provision	(89.2)	(43.6)
Net income	\$ 378.7	\$ 238.9
Net loss attributable to noncontrolling interests	(5.3)	(2.6)
Net income attributable to Rockwell Automation	\$ 384.0	\$ 241.5
<u>Adjustments</u>		
Non-operating pension and postretirement benefit credit, net of tax	(9.6)	(3.6)
Purchase accounting depreciation and amortization attributable to Rockwell Automation, net of tax	17.4	17.5
Change in fair value of investments, net of tax ⁽¹⁾	(106.5)	(4.1)
Adjusted income	\$ 285.3	\$ 251.3
Adjusted EPS	\$ 2.46	\$ 2.14
Average Diluted Shares	115.5	117.3

⁽¹⁾ Primarily relates to the change in fair value of investment in PTC.

Free Cash Flow

(\$ in millions)	Three Months Ended	
	Q1 2023	Q1 2022
Net Income	\$ 378.7	\$ 238.9
Depreciation/Amortization	57.8	58.9
Change in Fair Value of Investments ⁽¹⁾	(140.6)	(7.6)
Retirement Benefits (Income) Expense	(1.7)	16.2
Receivables/Inventory/Payables	(237.7)	(185.7)
Compensation and Benefits	(40.2)	(135.3)
Pension Contributions	(7.0)	(7.5)
Income Taxes	73.1	(37.6)
Other	(16.1)	47.7
Cash Flow From Operations	66.3	(12.0)
Capital Expenditures	(24.2)	(37.1)
Free Cash Flow	<u>\$ 42.1</u>	<u>\$ (49.1)</u>
Adjusted Income	\$ 285.3	\$ 251.3
Free Cash Flow as a % of Adjusted Income	15 %	(20)%

⁽¹⁾ Primarily relates to the change in fair value of investment in PTC.

Reconciliation to Non-GAAP Measures

Organic Sales

(\$ in millions)

Three Months Ended December 31,									
2022					2021				
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	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	\$ 1,178.9	\$ 1.2	\$ (8.1)	\$ 1,185.8	\$ 1,100.7	7.1%	0.1%	(0.7)%	7.7%
EMEA	372.8	11.7	(40.9)	402.0	354.7	5.1%	3.3%	(11.5)%	13.3%
Asia Pacific	296.5	2.7	(29.7)	323.5	278.9	6.3%	1.0%	(10.7)%	16.0%
Latin America	132.8	—	2.1	130.7	123.0	8.0%	—%	1.7%	6.3%
Total	\$ 1,981.0	\$ 15.6	\$ (76.6)	\$ 2,042.0	\$ 1,857.3	6.7%	0.8%	(4.0)%	9.9%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(\$ in millions)

	Three Months Ended	
	December 31, 2022	December 31, 2021
Sales		
Intelligent Devices (a)	\$ 936.2	\$ 900.3
Software & Control (b)	573.3	513.9
Lifecycle Services (c)	471.5	443.1
Total sales (d)	<u>\$ 1,981.0</u>	<u>\$ 1,857.3</u>
Segment operating earnings		
Intelligent Devices (e)	\$ 209.4	\$ 213.0
Software & Control (f)	167.3	117.6
Lifecycle Services (g)	24.3	24.5
Total segment operating earnings ⁽¹⁾ (h)	<u>401.0</u>	<u>355.1</u>
Purchase accounting depreciation and amortization	(26.0)	(26.1)
Corporate and other	(27.3)	(29.4)
Non-operating pension and postretirement benefit credit	12.4	4.4
Change in fair value of investments	140.6	7.6
Interest expense, net	(32.8)	(29.1)
Income before income taxes (i)	<u>\$ 467.9</u>	<u>\$ 282.5</u>
Segment operating margin:		
Intelligent Devices (e/a)	22.4 %	23.7 %
Software & Control (f/b)	29.2 %	22.9 %
Lifecycle Services (g/c)	5.2 %	5.5 %
Total segment operating margin ⁽¹⁾ (h/d)	20.2 %	19.1 %
Pretax margin (i/d)	23.6 %	15.2 %

⁽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 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)

Net income attributable to Rockwell Automation	
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 ⁽¹⁾	
Tax effect of change in fair value of investments ⁽¹⁾	
Adjusted income	
Diluted EPS	
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 ⁽¹⁾	
Tax effect of change in fair value of investments ⁽¹⁾	
Adjusted EPS	
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 ⁽¹⁾	
Adjusted effective tax rate	

Non-operating pension and postretirement benefit credit

(in millions)

Interest cost	
Expected return on plan assets	
Amortization of prior service credit	
Amortization of net actuarial (gain) loss	
Non-operating pension and postretirement benefit credit	

Three Months Ended			
December 31, 2022		December 31, 2021	
\$	384.0	\$	241.5
	(12.4)		(4.4)
	2.8		0.8
	23.0		23.1
	(5.6)		(5.6)
	(140.6)		(7.6)
	34.1		3.5
\$	285.3	\$	251.3
\$	3.31	\$	2.05
	(0.10)		(0.04)
	0.02		0.01
	0.20		0.20
	(0.05)		(0.05)
	(1.22)		(0.06)
	0.30		0.03
\$	2.46	\$	2.14
	19.1 %		15.4 %
	(0.1)%		— %
	0.5 %		0.8 %
	(2.4)%		(0.9)%
	17.1 %		15.3 %

Three Months Ended			
December 31, 2022		December 31, 2021	
\$	39.8	\$	32.7
	(51.3)		(59.4)
	—		(0.2)
	(0.9)		22.5
\$	(12.4)	\$	(4.4)

⁽¹⁾ Primarily relates to the change in fair value of investment in PTC.

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(\$ in millions)

(a) Return

Net income
Interest expense
Income tax provision
Purchase accounting depreciation and amortization
Return

(b) Average invested capital

Short-term debt
Long-term debt
Shareowners' equity
Accumulated amortization of goodwill and intangibles
Cash and cash equivalents
Short-term and long-term investments
Average invested capital

(c) Effective tax rate

Income tax provision
Income before income taxes
Effective tax rate

(a) / (b) * (1-c) Return On Invested Capital

Twelve Months Ended December 31,		
	2022	2021
	\$ 1,058.9	\$ 992.8
	127.8	101.6
	200.1	115.2
	103.8	69.5
	<u>\$ 1,490.6</u>	<u>\$ 1,279.1</u>
	\$ 794.7	\$ 263.3
	3,226.7	2,573.9
	2,925.4	2,416.3
	1,017.4	1,007.8
	(483.3)	(697.7)
	(7.6)	(0.6)
	<u>\$ 7,473.3</u>	<u>\$ 5,563.0</u>
	200.1	115.2
	<u>\$ 1,259.0</u>	<u>\$ 1,108.0</u>
	15.9 %	10.4 %
	<u>16.8 %</u>	<u>20.6 %</u>

Reconciliation to Non-GAAP Measures

Fiscal 2023 Guidance

(\$ in billions, except per share amounts)

Organic Sales

Reported sales growth
Less: Inorganic sales growth
Foreign currency impact
Organic 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 cost
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation
Tax effect of change in fair value of investments ⁽¹⁾
Adjusted effective tax rate

Adjusted EPS

Diluted EPS
Non-operating pension and postretirement benefit cost
Tax effect of non-operating pension and postretirement benefit cost
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 ⁽¹⁾
Tax effect of change in fair value of investments ⁽¹⁾
Adjusted EPS

⁽¹⁾ The actual year-to-date adjustments, which are based on PTC's share price at December 31, 2022, and year-to-date sales of PTC shares, 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 26, 2023

Fiscal 2023 Guidance

10% - 14%
~ 1.0%
~ (2.0)%
11% - 15%

\$ ~ 8.7

~ 1.8

~ 0.2

\$ ~ 1.6

~ 21%

~ 18.0 %

~ 18.0%

~ —%

~ 0.5%

~ (0.5)%

~ 18.0%

\$10.99 - \$11.79

0.04

(0.01)

0.79

(0.19)

(1.22)

0.30

\$10.70 - \$11.50

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'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. 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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